GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1300
ANSWERED ON:08.12.2004
POLICY OF KVIC TO TAP MARKET
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Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether the Khadi and Village Industries Commission (KVIC) proposes to formulate a State-wise policy for tapping the market;

(b): if so, the localities in Uttar Pradesh where the taping is proposed to be undertaken;

(c): whether the Government proposes to give financial assistance to the district level organisations in order to ascertain the potential of this industry;

(d): if so, the details thereof; and

(e): the schemes and the incentives available under the KVIC?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): There is no proposal for formulating State-wise policies for the marketing of khadi and village industries (KVI). The Khadi and Village Industries Commission (KVIC) has however, set up a Confederation of Khadi and Village Industsries (CPKVI) for better marketing of KVI products throughout the country, including Uttar Pradesh. The KVIC has also taken a number of other steps, namely, organization of exhibitions national, zonal, State and district levels and renovation/modernization of selected sales outlets in some States. Grants are also given by the KVIC to KVI institutions/entrepreneurs for taking up design improvement projects under the Product Development and Design Intervention Programme (PRODIP) of the KVIC.

The programme of KVIC`s exhibitions in Uttar Pradesh during 2004-05 are given in the table below:

Table: Programme of KVIC`s Exhibitions in Uttar Pradesh during 2004-05

Sl.No.	Categories	Location
1.	National Level	Lucknow
2.	State Level	Aligarh, Ghaziabad, Allahabad and Gorakhpur
3.	District Level	Rai Bareilly, Sutanpur, Jhansi, Banda, Faizabad, Shajahanpur, Bijnore, Sharanpur, Bareliiy, Etah, Moradabad, Mathura, Varanasi, Ghazipur, Gorakhpur and Mau.

(c)and(d): Yes, Sir. For organizing District level exhibitions, KVIC provides grant to KVI institutions, State Khadi and Village Industries Board (KVIBs) and Departmental Trading units of KVIC upto Rs. 2.5 lakh for each exhibition.

(e): In addition to the schemes mentioned above, the following schemes of grant(incentives) to individual entrepreneurs and institutions are implemented by the KVIC for market promotion of KVI products:-

(i) Exhibitions

Financial grant for organizing exhibitions at various levels is provided to KVI institutions, State Khadi and Village Industries Boards (KVIB) and Departmental Trading Units of KVIC as per the following scale:

(a)	National level Exhibitions	: Rs.	40	lakh (each)
(b)	Zonal level Exhibitions	: Rs.	25	lakh (each)
(c)	State level Exhibitions	: Rs.	5	lakh (each)
(d)	District level Exhibitions	: Rs.	2.5	lakh (each)

(ii) Tours abroad

Institutions/units participating in sales-cum study tours abroad or in international exhibitions are provided 90 per cent of the cost of to and fro air fare. A maximum amount of Rs.15,000 or 25 per cent of the total approved cost on publicity material like product catalogue, brochure, information handout, etc., is also provided as incentive.

(iii) Export Promotion

Institutions are eligible to get incentive for export of village industries products at the rate of 5 per cent of `free on Board` (f.o.b.) value of the exported village industries products.